



FTC Spam Forum (April 30 - May 1, 2003)

Notes for “Economics of Spam” Panel

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Historical View of Spam

- ***Traffic:*** 8% of inbound traffic in 2000 to 75% in April 2003
- ***Customer Perspective:*** Occasional nuisance in 2000 for most customers to major annoyance in 2003
- ***Preventative Measures:*** Basic system blocks and filters in 2000 to Complex blocks, specialized software, education, and personal tools in 2003

Detailed View of the Current Situation

- ***What we see:*** Detected Spam traffic has grown from 48% to 63% in the last 60 days alone (30% increase).
- ***What we don't see:*** 15% to 20% of Spam is initially undetected (According to samples and customer verbatim)
- ***What is the affect:*** If 75% of all incoming traffic is Spam and there is approx. a one to one correlation between real sent and received email, then 60% of all of our mail processing is driven by Spam.
- ***Customers View:*** 20%-30% is porno, 0-10% are scams, 40-60% are junk solicitations, 5-25% was not actually Spam but solicited email (ebay, Airline offers, etc.)

Costs to the Business (Customers)

- **Business Customers are forced to change addresses causing lost productivity and potential customers.**
- **Annual costs to manage Spam have risen 500-700% over the last 3 years, and doubled in the last year alone.**
- **Approximate annual costs per customer account are between \$3 and \$5 per customer.**
- **Costs Include: System Overhead, Anti-Spam Software, Personnel, Educational Materials, Customer Support**
- **Rising costs to fight Spam have been absorbed as a cost to run the business without increase to prices.**